

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

LARRY FREUDENBERG, Individually And On
Behalf of All Others Similarly Situated,

Plaintiff,

vs.

E*TRADE FINANCIAL CORPORATION,
MITCHELL H. CAPLAN AND ROBERT J.
SIMMONS,

Defendants.

Civil Action No. 07-cv-8538 (RWS)

CLASS ACTION

WILLIAM BOSTON, Individually And On
Behalf Of All Others Similarly Situated,

Plaintiff,

vs.

E*TRADE FINANCIAL CORPORATION,
MITCHELL H. CAPLAN AND ROBERT J.
SIMMONS,

Defendants.

Civil Action No. 07-cv-8808 (RWS)

ROBERT D. THURMAN, Individually And On
Behalf Of All Others Similarly Situated,

Plaintiff,

vs.

E*TRADE FINANCIAL CORPORATION,
MITCHELL H. CAPLAN AND ROBERT J.
SIMMONS,

Defendants.

Civil Action No. 07-cv-9651 (RWS)

WENDY M. DAVIDSON, individually and on behalf of all others similarly situated,

Plaintiff,

vs.

E*TRADE FINANCIAL CORPORATION,
MITCHELL H. CAPLAN AND ROBERT J. SIMMONS,

Defendants.

Civil Action No. 07-cv-10400 (UA)

JOSHUA FERENC, individually and on behalf of all others similarly situated,

Plaintiff,

vs.

E*TRADE FINANCIAL CORPORATION,
MITCHELL H. CAPLAN AND ROBERT J. SIMMONS,

Defendants.

Civil Action No. 07-cv-10540 (SHS)

SECOND DECLARATION OF ELIZABETH A. SCHMID ESQ. IN FURTHER SUPPORT OF THE MOTION OF THE KRISTEN-STRAXTON GROUP FOR CONSOLIDATION OF ALL RELATED CASES, APPOINTMENT OF LEAD PLAINTIFF AND APPROVAL OF THE SELECTION OF LEAD COUNSEL AND IN OPPOSITION TO COMPETING LEAD PLAINTIFF MOTIONS

I, Elizabeth A. Schmid, Esq., hereby declare, under penalty of perjury, as follows:

1. I am an attorney at the law firm of Brower Piven, A Professional Corporation ("Brower Piven"). I submit this Declaration in further support of the motion of the Kristen-Straxton Group for consolidation of all related cases, appointment of lead plaintiff and approval of the selection of lead counsel, and in opposition to competing lead plaintiff motions.

2. Attached hereto as Exhibit A is a true and correct copy of an April 2004 International Monetary Fund publication entitled: *British Virgin Islands - Overseas Territory of the United Kingdom: Assessment of the Supervision and Regulation of the Financial Sector*,

Volume I – Review of Financial Sector Regulation and Supervision.

3. Attached hereto as Exhibit B is a true and correct copy of the sworn Declaration of Roger Hambury, dated December 19, 2007.

4. Attached hereto as Exhibit C is a true and correct copy of a press release dated, November 12, 2007 issued by the Financial Services Authority of the United Kingdom (“FSA”), and the FSA publication: “Disclosure of Contracts for Difference, Consultation and Draft Handbook Text (2007).”

5. Attached hereto as Exhibit D is a true and correct copy of the website of E*Trade Financial Corporation under the search term: *E*Trade Contracts For Difference* (2005), available at http://www.etradeprofessional.co.uk/cfds_home.asp.

6. Attached hereto as Exhibit E is a true and correct copy of the E*Trade Financial Corporation Form 10-Q for the quarter period ended June 30, 2007, filed with United States Securities and Exchange Commission.

7. Attached hereto as Exhibit F is a true and correct copy of an article published by Market Watch on August 12, 2007, entitled *How E*Trade Mortgages Its Past, Future*, available at:

<http://www.marketwatch.com/news/story/how-e-trade-mortgages-itspast/story.aspx?guid=%7B66EAC5F0-51E3-4B4F-A4C9-7E2B1B63D25%7D>.

8. Attached hereto as Exhibit G is a true and correct copy of an article dated August 16, 2007 published on Forbes.com, *E*Trade's Image Problem*, available at: http://www.forbes.com/markets/2007/08/16/etrade-mortgage-countrywide-markets-equity-ex_er_0816markets35.html.

9. Attached hereto as Exhibit H is a true and correct copy of an article published on

October 8, 2007 by The Wall Street Journal Online entitled: *A New Mortgage "Cop"*, available at <http://online.wsj.com/public/article/SB119180486673551828.html>.

10. Attached hereto as Exhibit I is a true and correct copy of an article published on May 15, 2007 by Bloomberg.com entitled: *Ohio Attorney General Targets Wall Street for Lending*, available at: <http://www.bloomberg.com/apps/news?pid=20601087&sid=aJLlZNjF9PI&refer=home>.

11. Attached hereto as Exhibit J is a true and correct copy of a press release dated November 8, 2007 issued by the Office of the Attorney General for the State of Ohio, entitled: *Attorney General Dann to File Subpoenas as Sub-Prime Investigation Continues*.

12. Attached hereto as Exhibit K is a true and correct copy of the following slip opinion: *In re Enron Corp. Sec. Litig. & ERISA Litig.*, No. MDL 1446, H-01-3624, slip op. (S.D. Tex. Mar. 25, 2003).

13. Attached hereto as Exhibit L is a true and correct copy of an article published on December 6, 2007 by the Washingtonpost.com entitled: *FBI to Focus On Area Mortgage Loan Fund*, available at: <http://www.washingtonpost.com/wp-dyn/content/article/2007/12/05/AR2007120502612.html>.

14. Attached hereto as Exhibit M are true and correct copies of the following slip opinions: *In re Able Labs. Sec. Litig.*, No. 05-2681 (JAG) (D. N.J. Mar. 17, 2006); *Mirco Investors, LLC v. Inspire Pharms., Inc.*, No. 1:05CV00118 (M.D.N.C. Mar. 1, 2006); *In re Dell, Inc., Sec. Litig.*, No. 06-CA-726-SS (W.D. Tex. Apr. 9, 2007); *Kadagian v. Harley-Davidson, Inc.*, No. 05-C-0547 (E.D. Wis. Feb. 14, 2006); *Mass. Laborers' Annuity Fund v. Encysive Pharm. Inc.*, No. H-06-3022 (S.D. Tex. Mar. 20, 2007); *In re Dreamworks Animation SKG, Inc., Sec. Litig.*, No. CV 05-03966 (C.D. Cal. Nov. 7, 2005); *In re General Motors Corp. Sec. Litig.*,

No. 05-CV-8088 (RMB) (S.D.N.Y. Feb. 6, 2006); *Olsen v. New York Cmty. Bancorp, Inc.*, No. 04-CV-4165 (E.D.N.Y. Aug. 9, 2005); *Cox v. Delphi Corp.*, No. 1:05-CV- 2637(NRB) (S.D.N.Y. June 27, 2005); *In re Sipex Corp. Sec. Litig.*, No. C 05-003932 (WHA) (N.D. Cal. May 24, 2005); *Conway Inv. Club v. Corinthian Colleges, Inc.*, No. 2-04-cv-05025 (C.D. Cal. Nov. 1, 2004); *Curtis v. BEA Sys., Inc.*, No. C 04-2275 SI (N.D. Cal. Sept. 24, 2004); *Takeda v. Turbodyne Tech., Inc.*, 67 F. Supp. 2d 1129, 1134-39 (D. Cal. 1999).

Executed: December 20, 2007
New York, New York

/s/ Elizabeth A. Schmid
Elizabeth A. Schmid